

**TOWN OF BLACK MOUNTAIN BOARD OF ALDERMEN
REQUEST FOR BOARD ACTION**

Meeting Date: February 14, 2011

SUBJECT: Additional Sewer Extensions-Laurel Lane

AGENDA INFORMATION

Agenda Location: Unfinished Business
Item Number: 6-C
Department: Public Services
Contact: Mark Combs, Public Services Director
David Straub, PE, David E, Smith and Co., Project Manager
Presenter: Mark Combs, Public Services Director

BRIEF SUMMARY: The sewer extension, currently being constructed in the Blue Ridge Road area in fulfillment of the Town's annexation obligations dating back to 1988, stops short of six residential properties on Laurel Lane. Although it is unclear why two of these properties were omitted from the original plans and agreements, it has been determined that four of the properties are being, or could be, served by existing (albeit, problematic and substandard) MSD lines in the area. The MSD lines in question are already scheduled for rehabilitation by MSD in 2013 (at no cost to the Town).

At the request of these residents, however, and at the direction by the Board of Aldermen, the Town Manager and Public Services director have negotiated with MSD staff to move this project forward by extending new line along Laurel Lane as part of the Town's current construction project. If approved by the Board, the Town will affect a change order to the existing construction contract, whereby the Town and MSD will split costs of construction for extension to the two omitted properties under the same terms as the original annexation agreement (65%/35%), while MSD will bear 100% of the costs to extend the line to the other four properties which would have benefitted from MSD's planned rehab project.

MSD has already completed survey, design and easement review at no charge to the Town, and the Town can expect to incur approximately \$25,000 in additional construction costs. There is insufficient contingency in the current project budget to cover these additional costs, so if approved, the Board can expect to see a request for a budget amendment at a later date (toward the end of the project), in order to accommodate this and any other contingency items that may arise between now and project completion.

MOTION FOR CONSIDERATION: To approve the expenditure of approximately \$25,000 to extend new sewer line along Laurel Lane to accommodate six annexed properties omitted from original design plans.

FUNDING SOURCE: Funding the additional extension of sewer beyond what was approved in the original Project Ordinance will require a budget amendment to allocate to the current project an additional \$25,000 from fund balance in the General Fund. MSD reimbursement to the Town, expected upon completion of the current project (at 35% of total construction costs), could help offset this unbudgeted expenditure.

ATTACHMENTS: N/A

MANAGER'S COMMENTS AND RECOMMENDATIONS: Adopt as presented.